ULI Washington

GSA Federal Workplace of the Future

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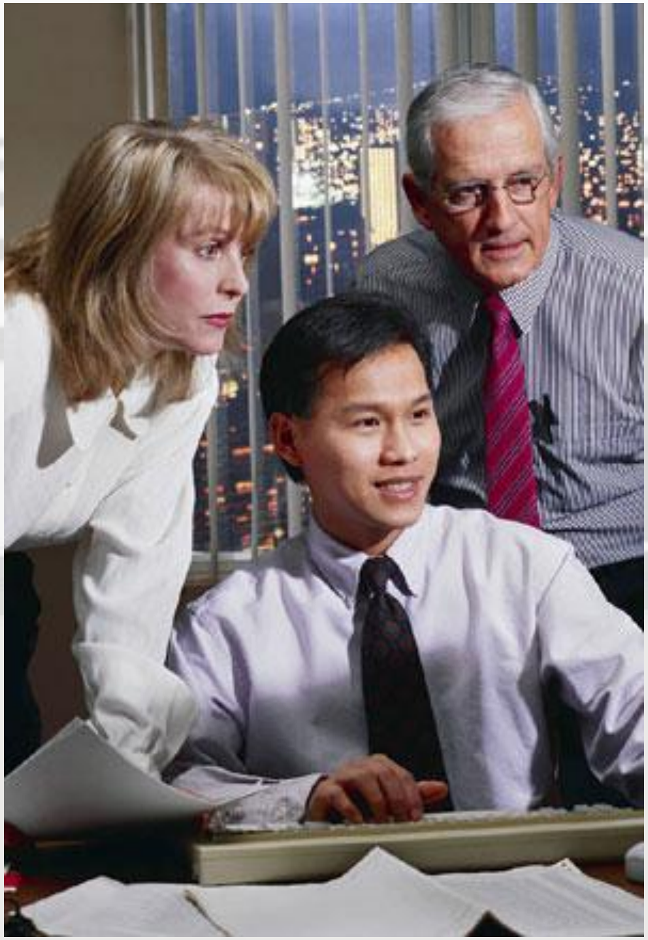
District of Columbia
Office of Planning

Workforce Trends: An Aging Workforce



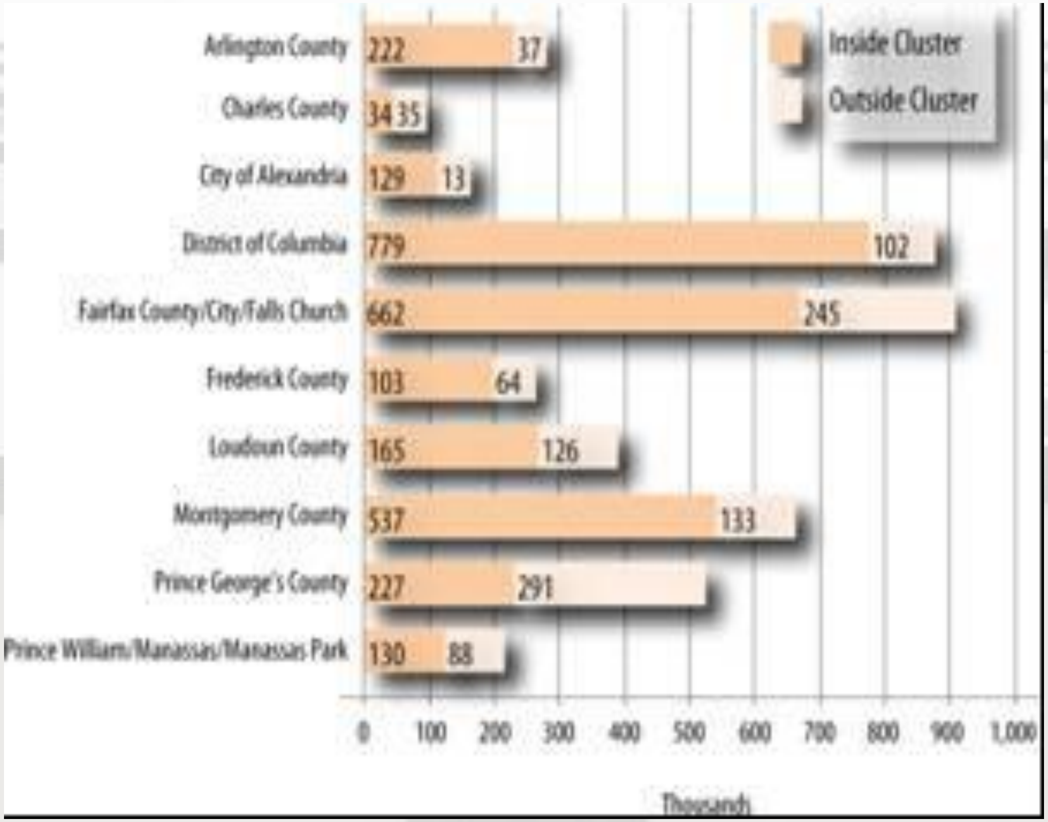
- Much older nation & workforce
- Nearly one-third of the 1.9 million-person federal workforce expected to retire or resign between 2009 & 2014.

Regional Trends: Population and Employment Growth

- The region is expected to add 657k households over the next 25 years, primarily in DC & Fairfax, Montgomery, Loudoun counties.

- Regional employment expected to total more than 4.2 million jobs by 2030.

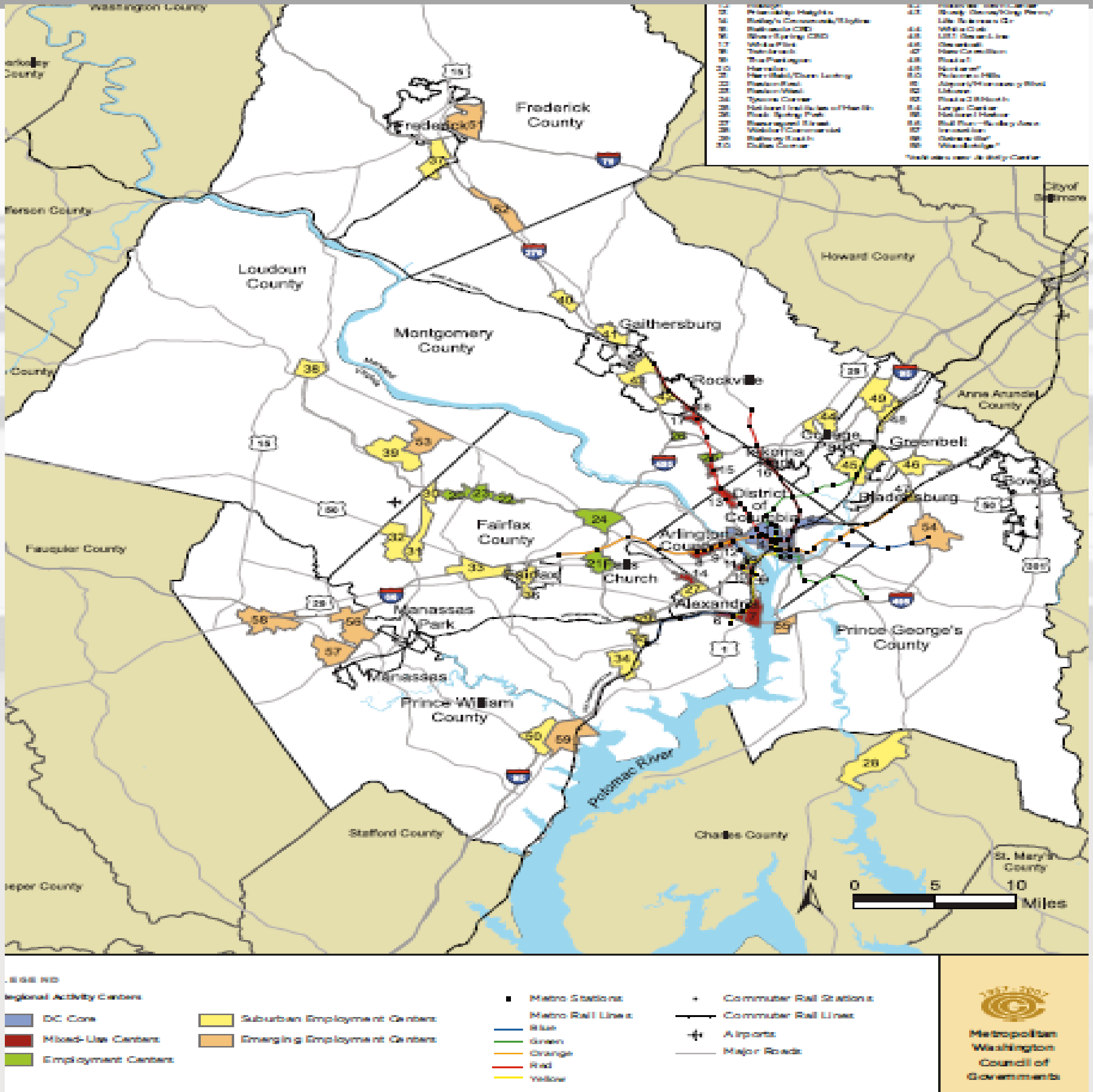
Employment in Activity Clusters by Jurisdiction in 2030



Source: MWCOG, Growth Trends to 2030: Cooperative Forecasting in the Washington Region, 2007

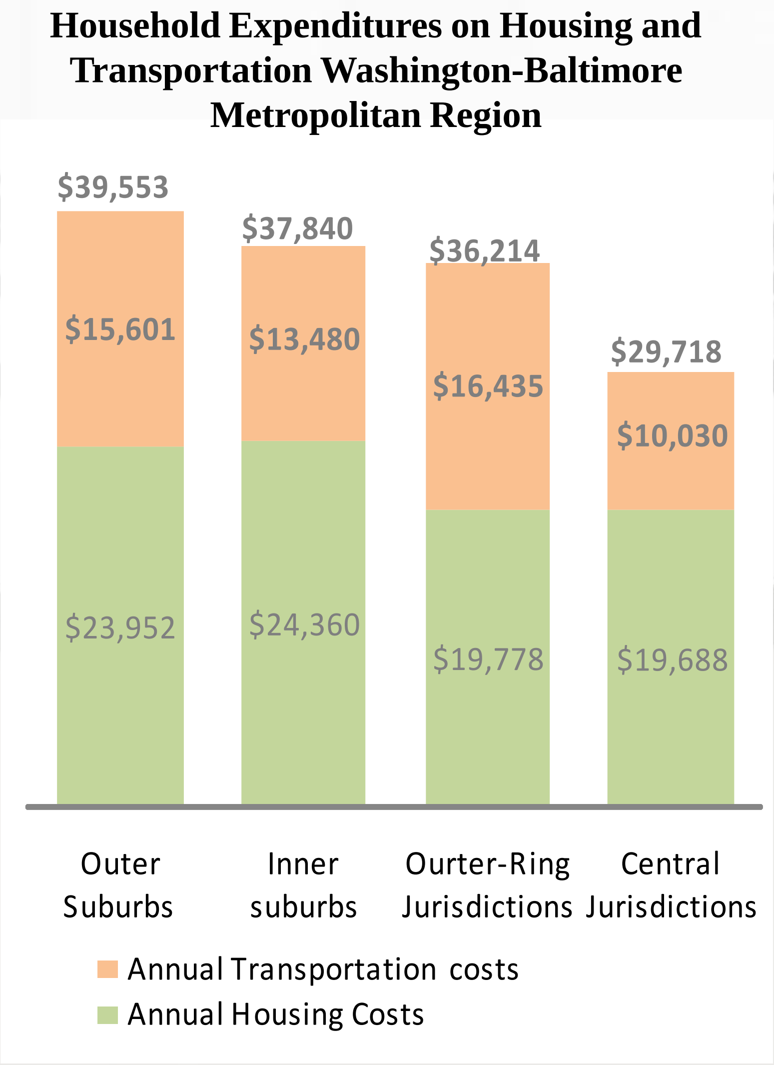
Regional Trend: Growth Directed to Activity Centers

- Over 70% of employment growth is planned for regional activity centers



Source: MWCOG, *"Metropolitan Washington Regional Activity Centers and Clusters" 2007.*

The Move to Urban Centers



- Talented people agglomerate into areas with opportunities
- Empty-nesters & young professionals returning to cities; willing to pay a premium to be close to their offices and amenities
- Central jurisdictions have the lowest combined housing & transportation costs in the region
- City centers & inner suburbs have the most stable housing markets—another factor attracting workers to invest in urbanized areas

Source: Urban Land Institute Terwilliger Center for Workforce Housing. Beltway Burden: The Combined Cost of Housing and Transportation in the Greater Washington, D.C., Metropolitan Area. 2009

Regional Trends

- Characteristics of Washington-Baltimore Metropolitan Region:
  - Increase in population and employment
  - High relative cost of real estate
  - Traffic congestion
  - Rising energy prices
- Location decisions of federal workplaces impact:
  - Access to appropriately skilled workers
  - Ability to meet the needs of future federal employees
  - The region’s growth and travel patterns over the long term

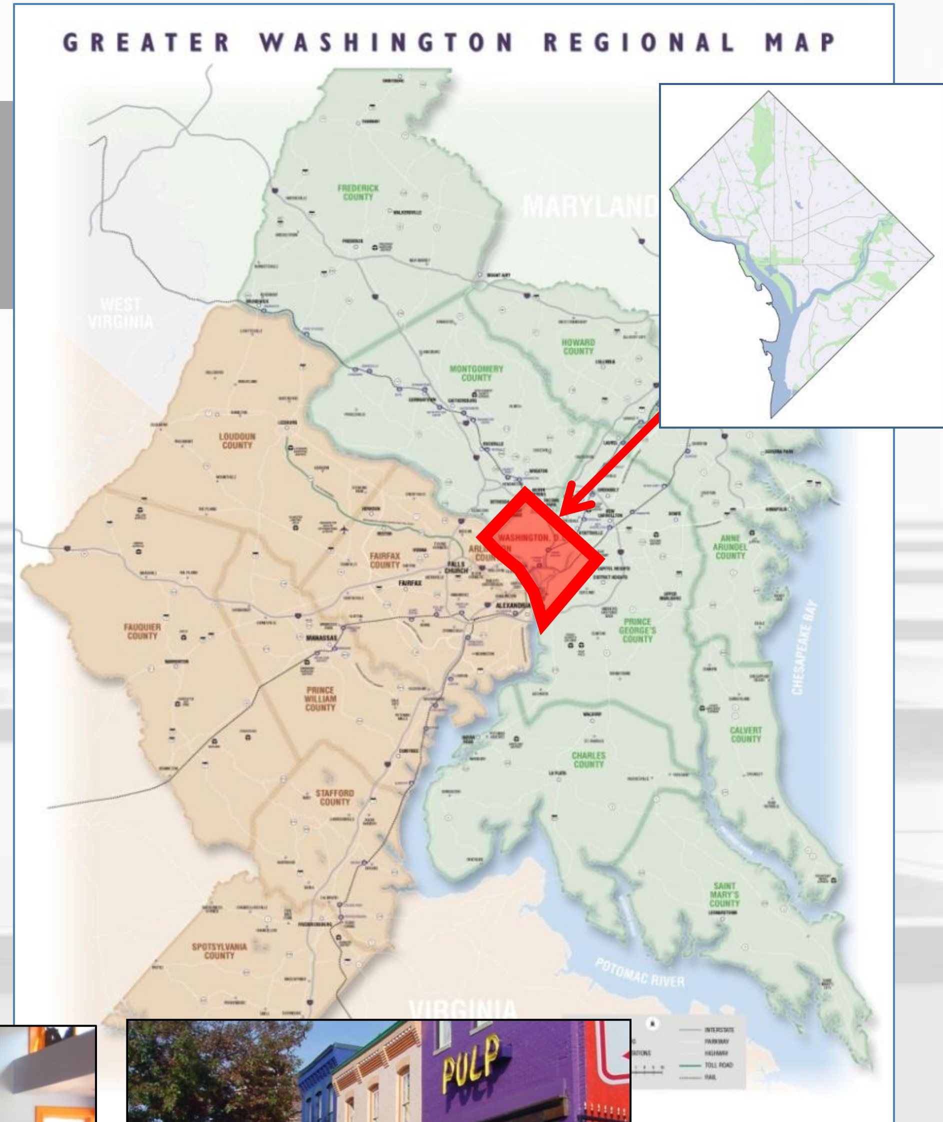
Washington DC is growing

2010 Census pop: 601,723

July 2011: **617,996**

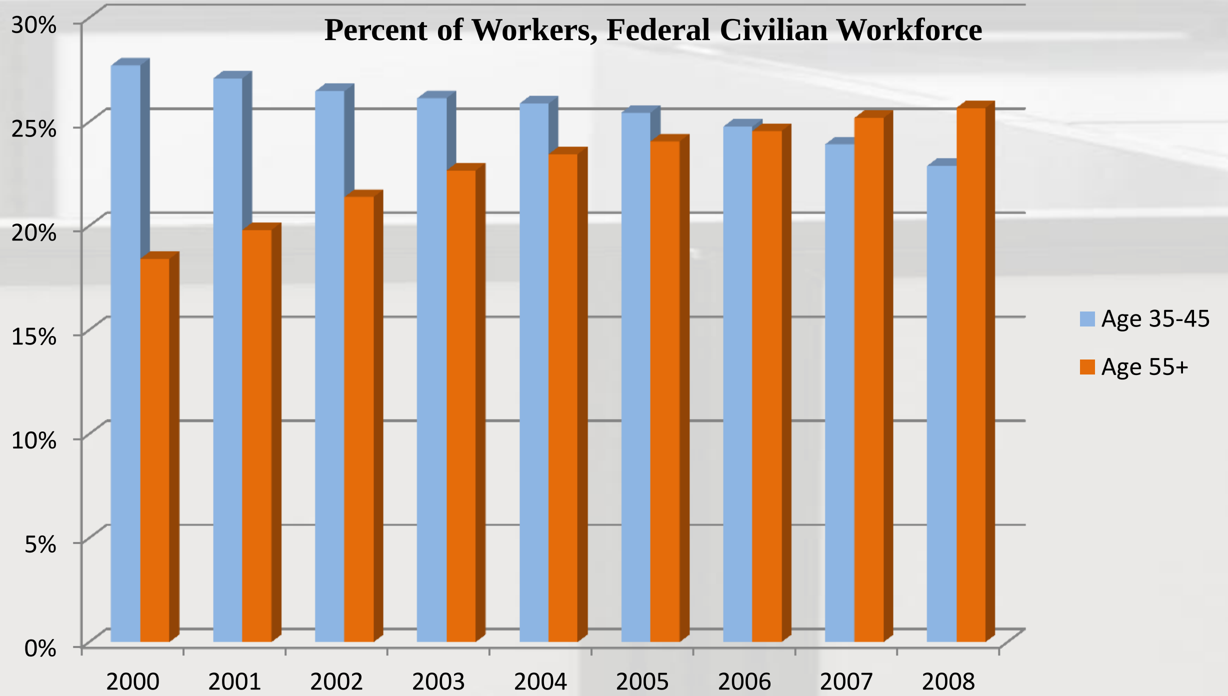
And our demographics…look like the rest of the US… in 2050

- Growing diversity & smaller households
- Influx of young professionals attracted to vibrant neighborhoods
- Development of housing & amenities that suit young professionals; mixed use



Demographics of the Current Federal Workforce

- Dramatic increase in the relative share of federal workers aged 55+ (2000 – 2008)
  - From 18 to 26 % for civilian workers
  - From 19 to 25 % for military workers
- Increase in diversity of federal workforce over the last several years:
  - Decrease of civilian White Non-Hispanic workers from 64 % to 61 % (a 5% decrease)
  - Decrease of military White Non-Hispanic workers from 67 % o 63 % (a 6% decrease)

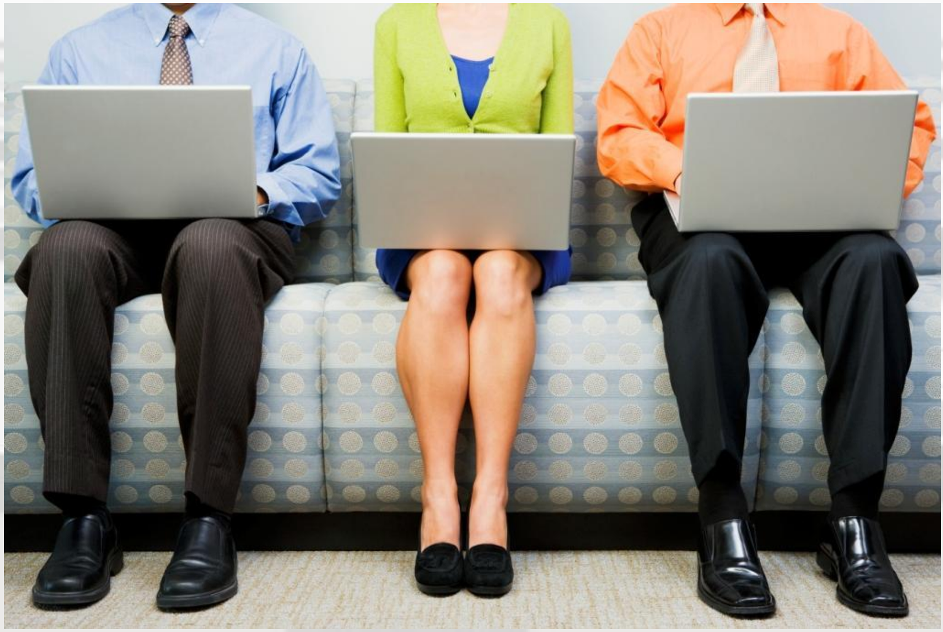


Source: 2009 U.S. Office of Personnel Management

Preferences of next gen federal workers

- A work-life balance that will allow them to balance play with work (Ott et al. 2008)
- Facility with technology and information
- Preference for frequent and open communication
- Ability to work well in teams

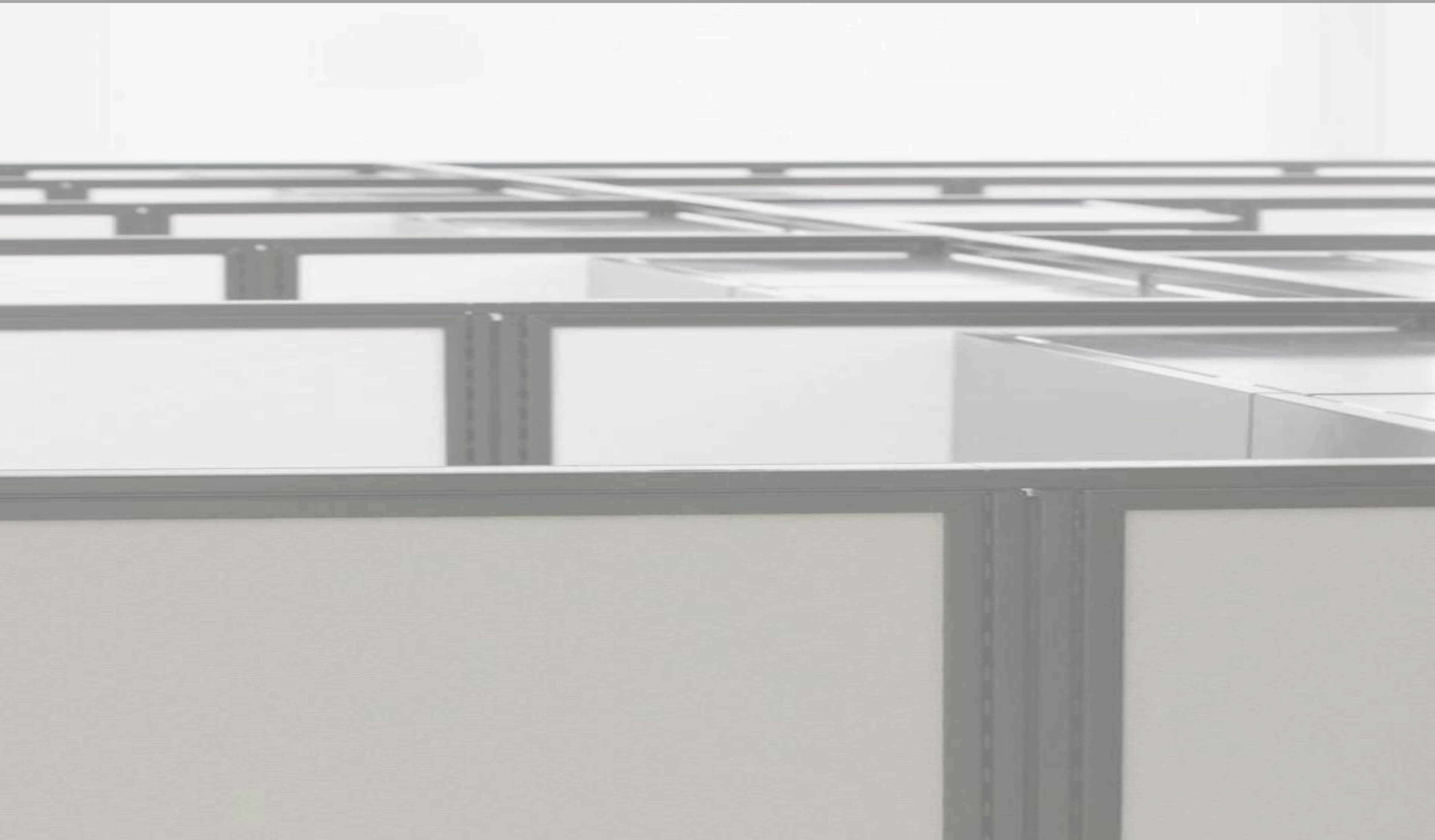
- ***Mobile and virtual workplaces*** ???

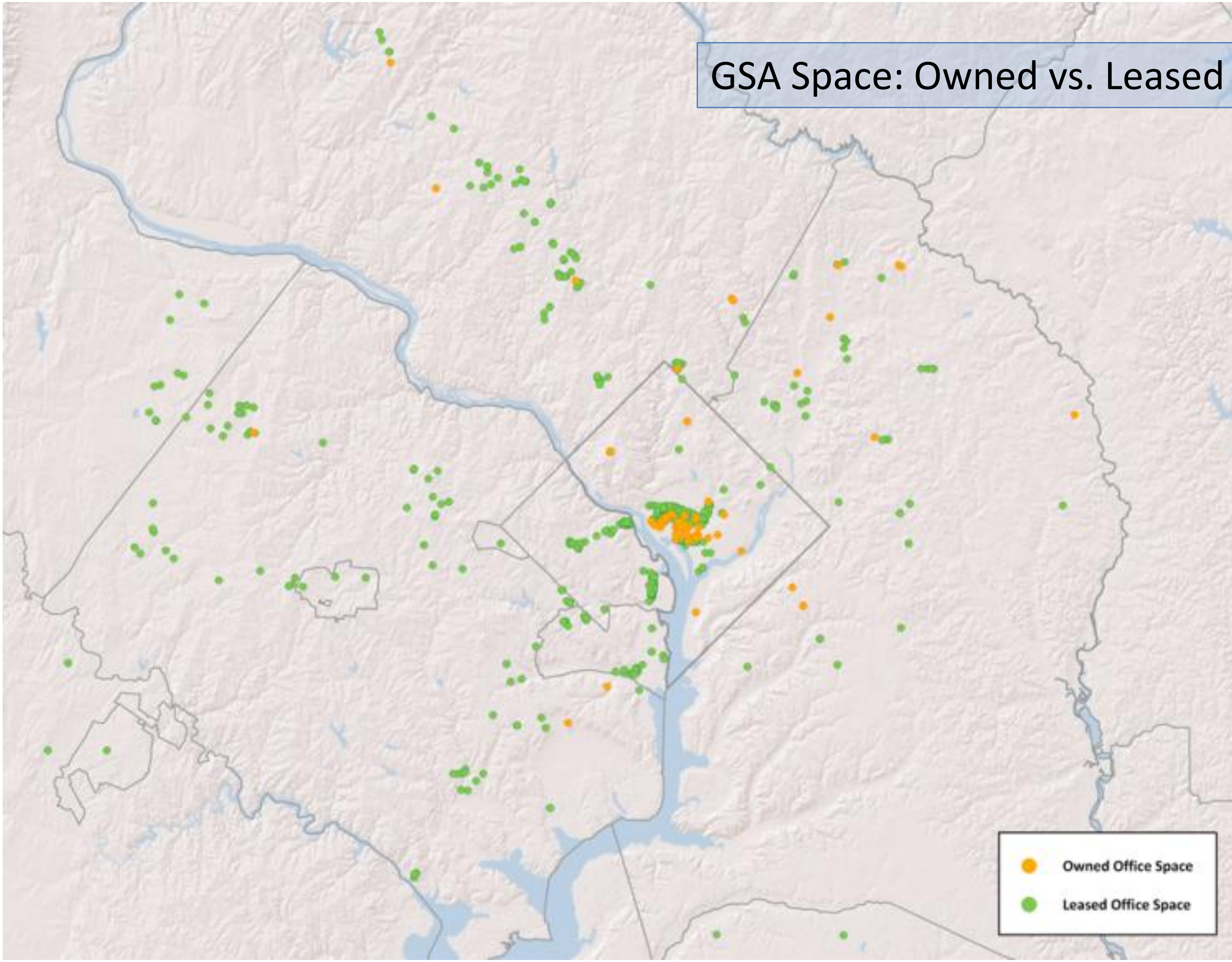


Scenario Specs for GSA Space Reductions

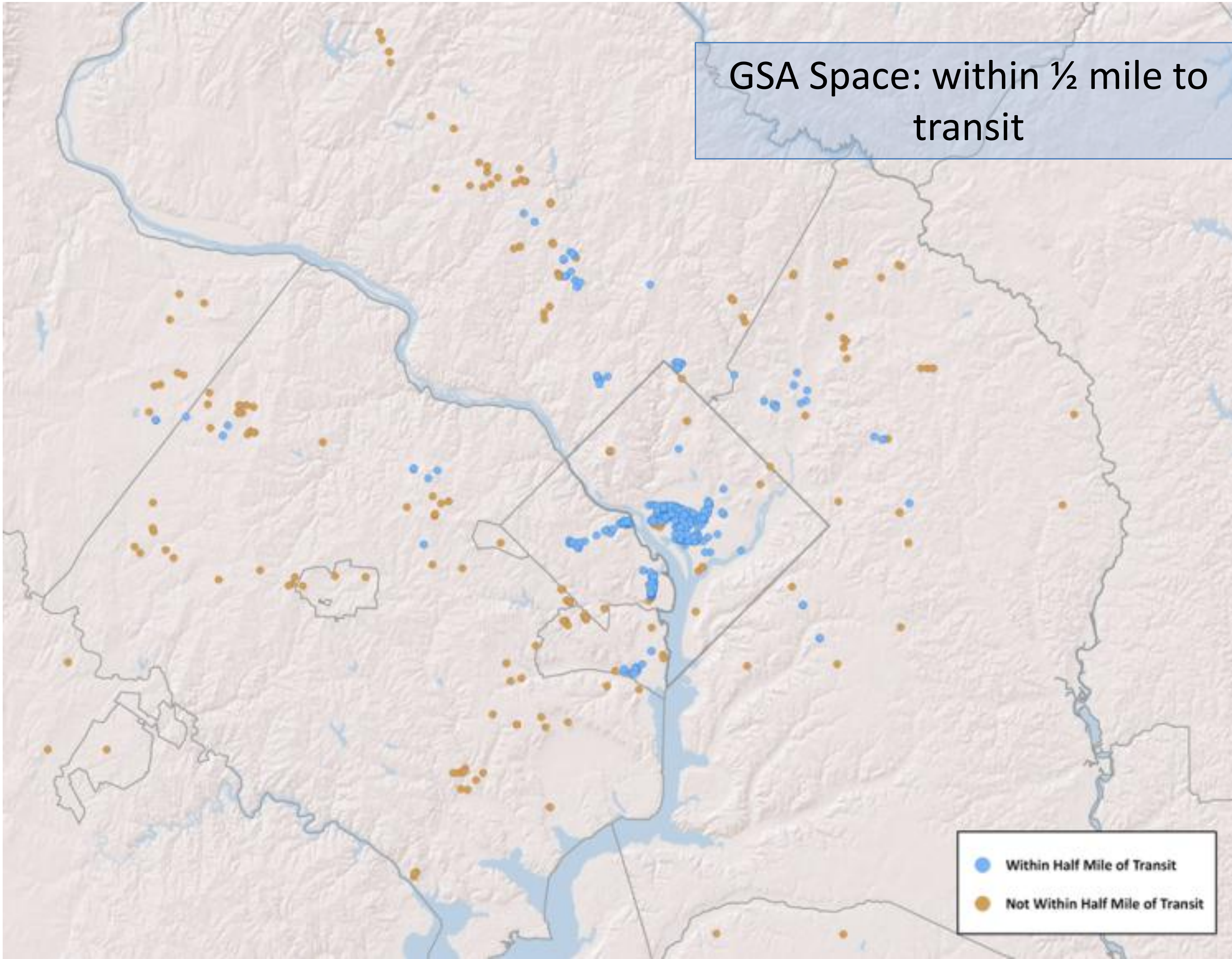
- GSA Preferences
  - Owned vs. Leased
  - ½ Mile to Metro
- Our analysis assumptions:
  - Space Reduction per Employee
    - From 230 SF to 95 SF
  - Timing
    - 5, 10 and 15 year Scenarios

Where are GSA facilities now?

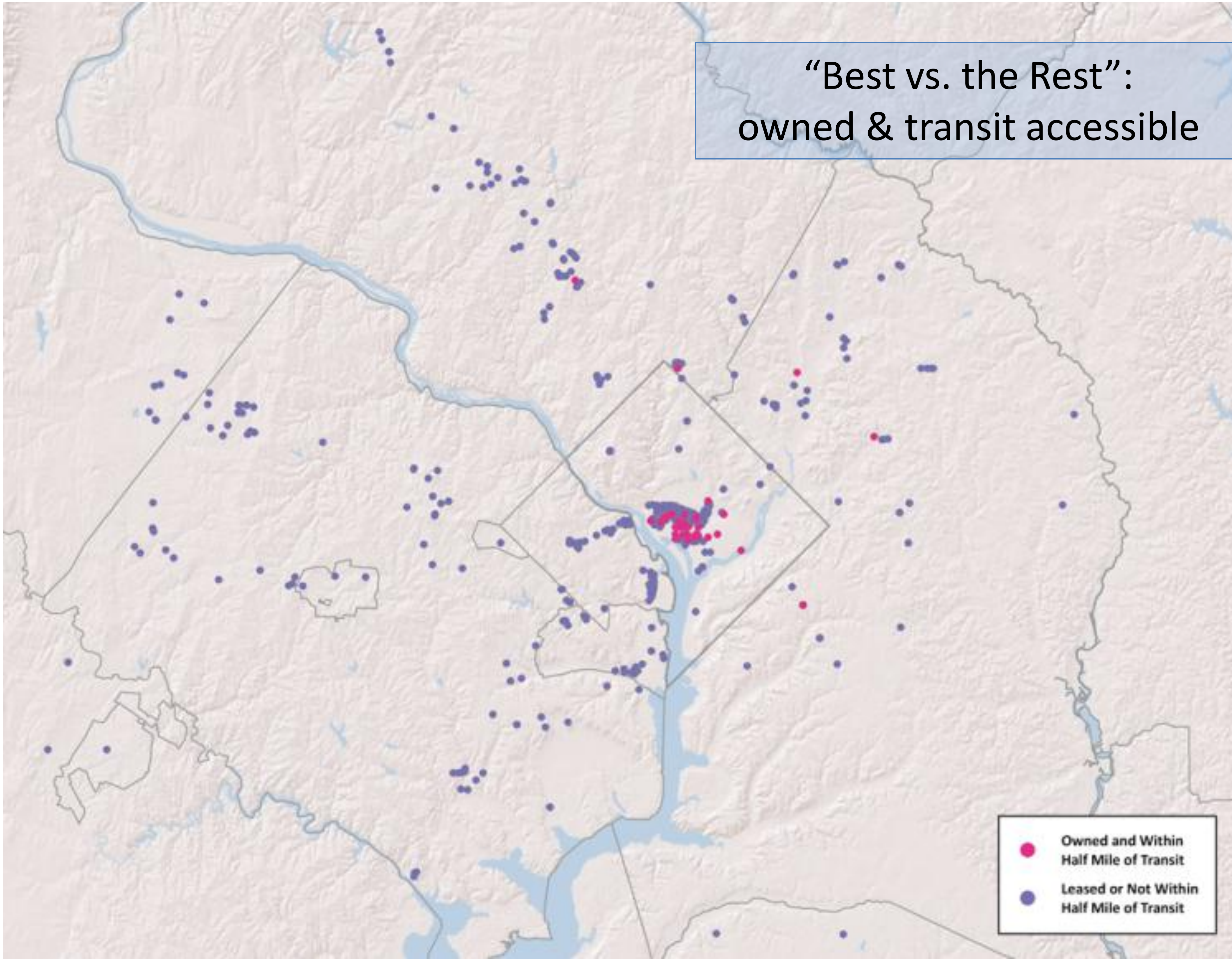



GSA Space: Owned vs. Leased
Owned Office Space
Leased Office Space

GSA Space: within ½ mile to transit



“Best vs. the Rest”:
owned & transit accessible

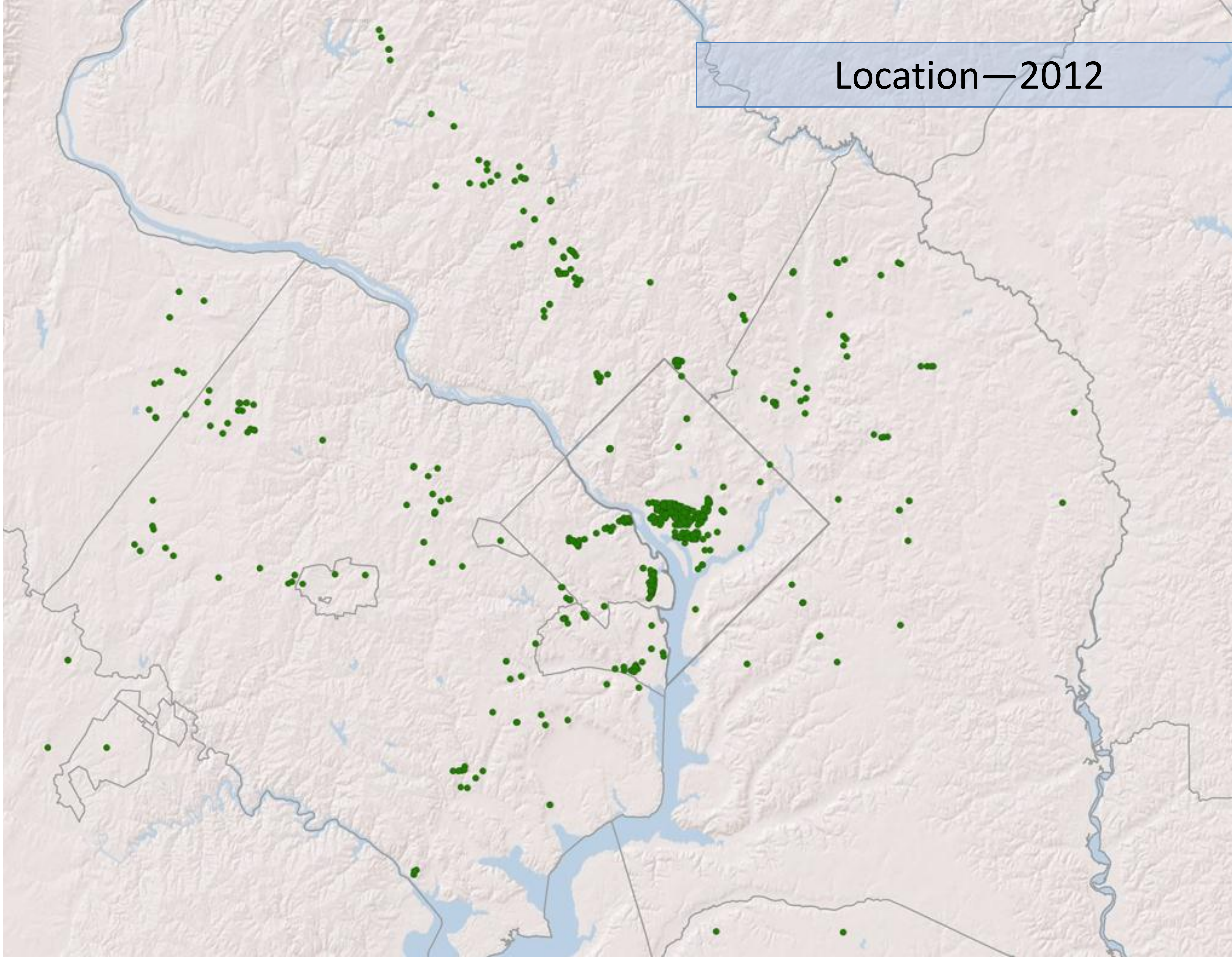


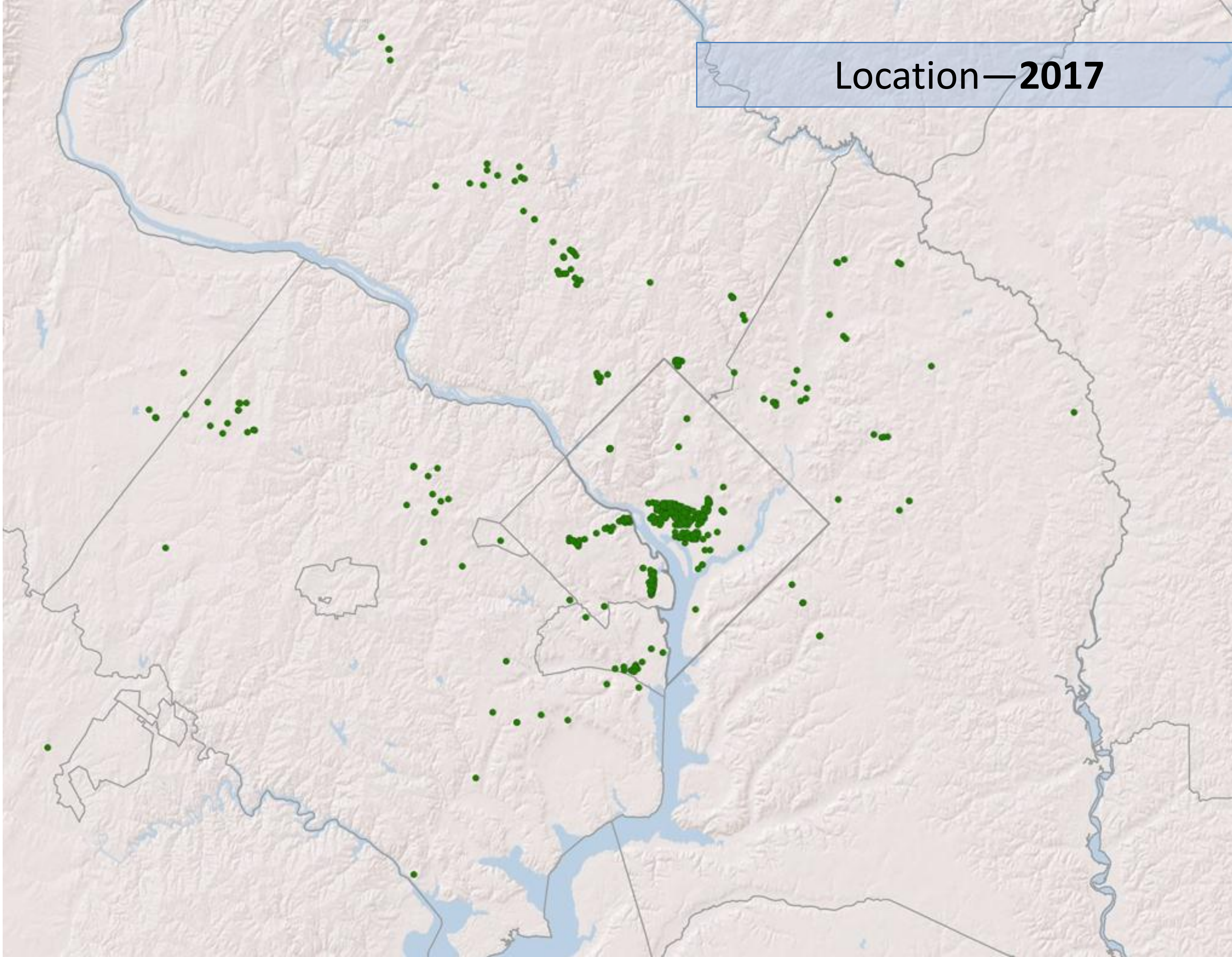
How will GSA space reductions impact Federal employee allocations in the region?

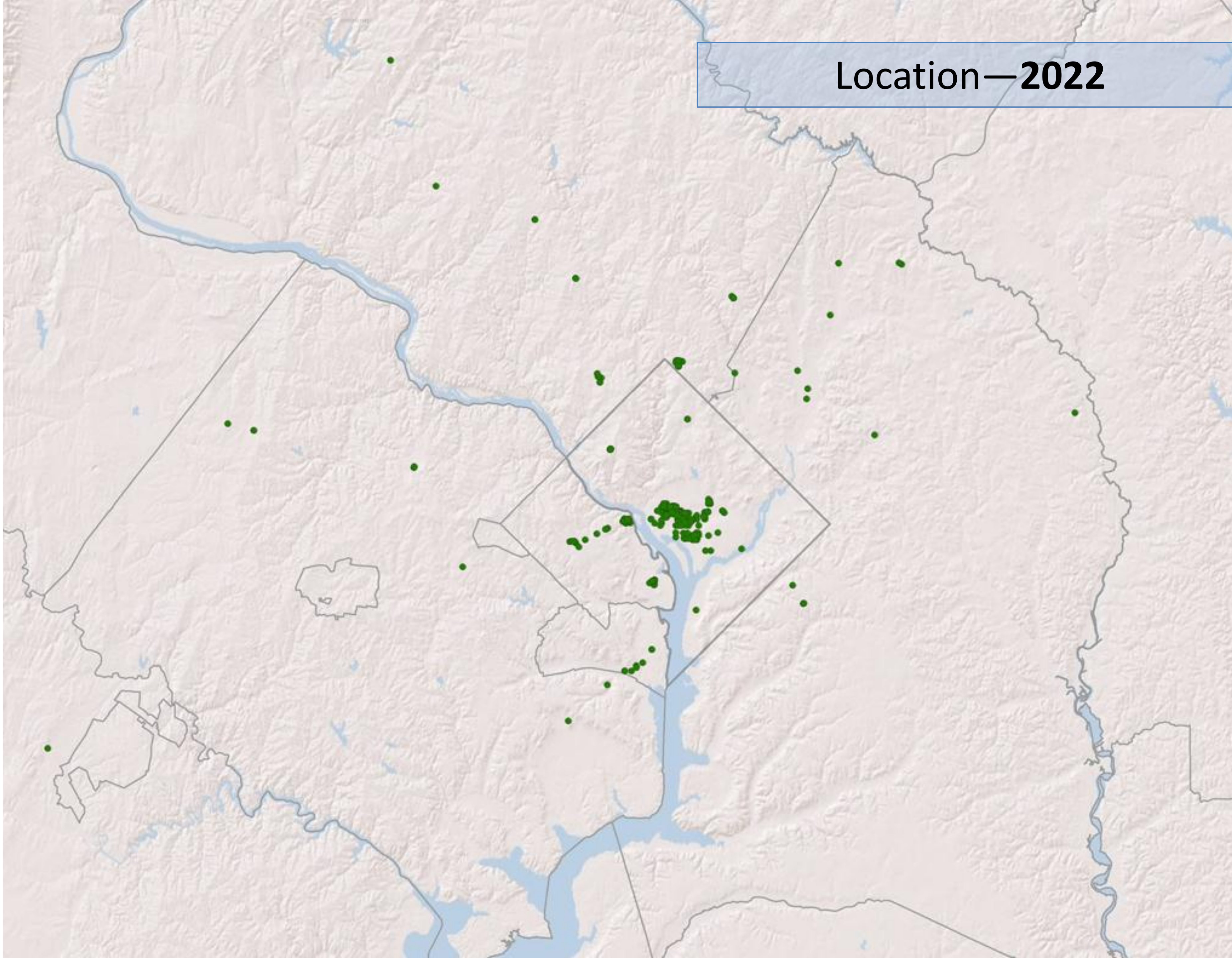
Facility Location

Employee Density

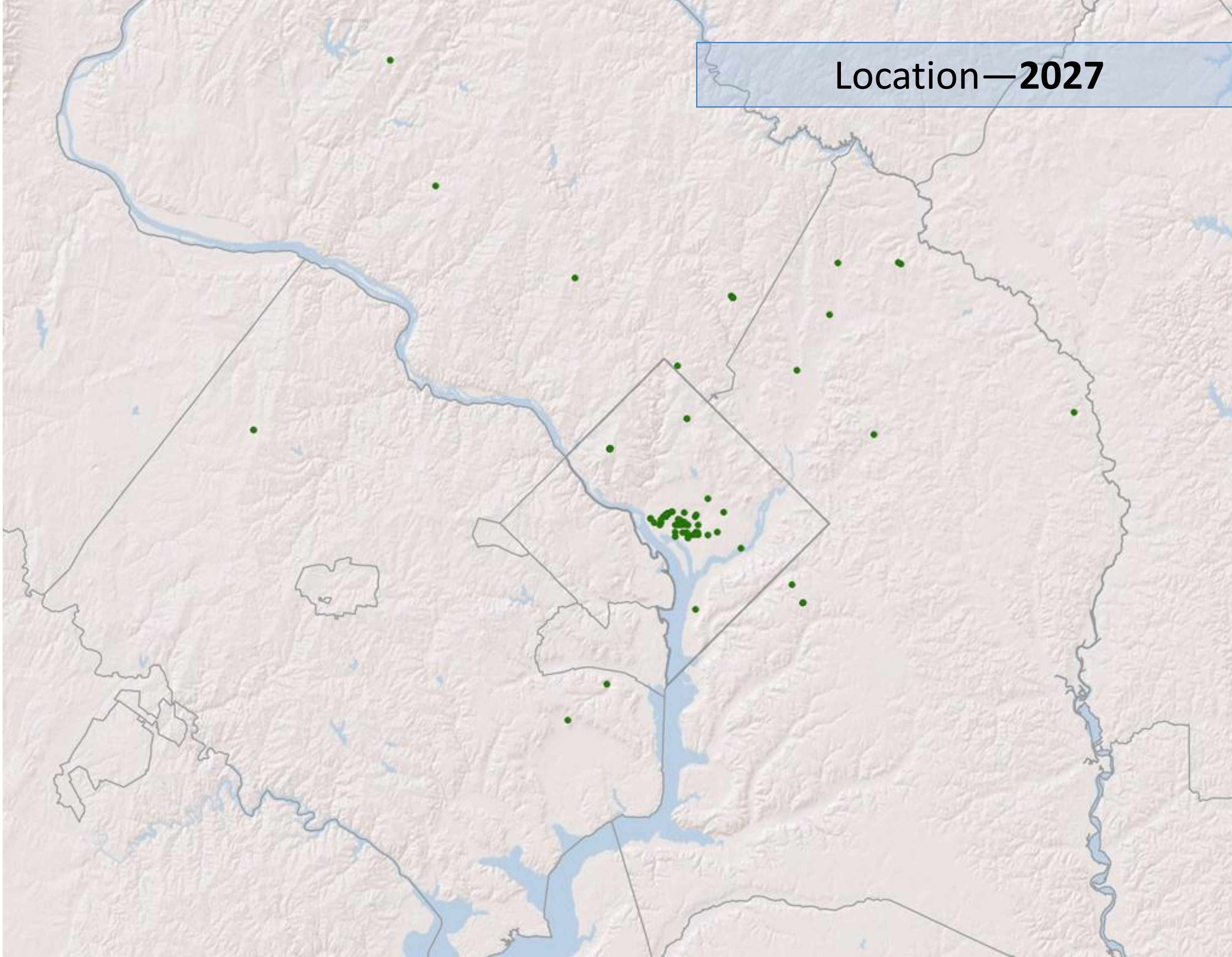
Location—2012



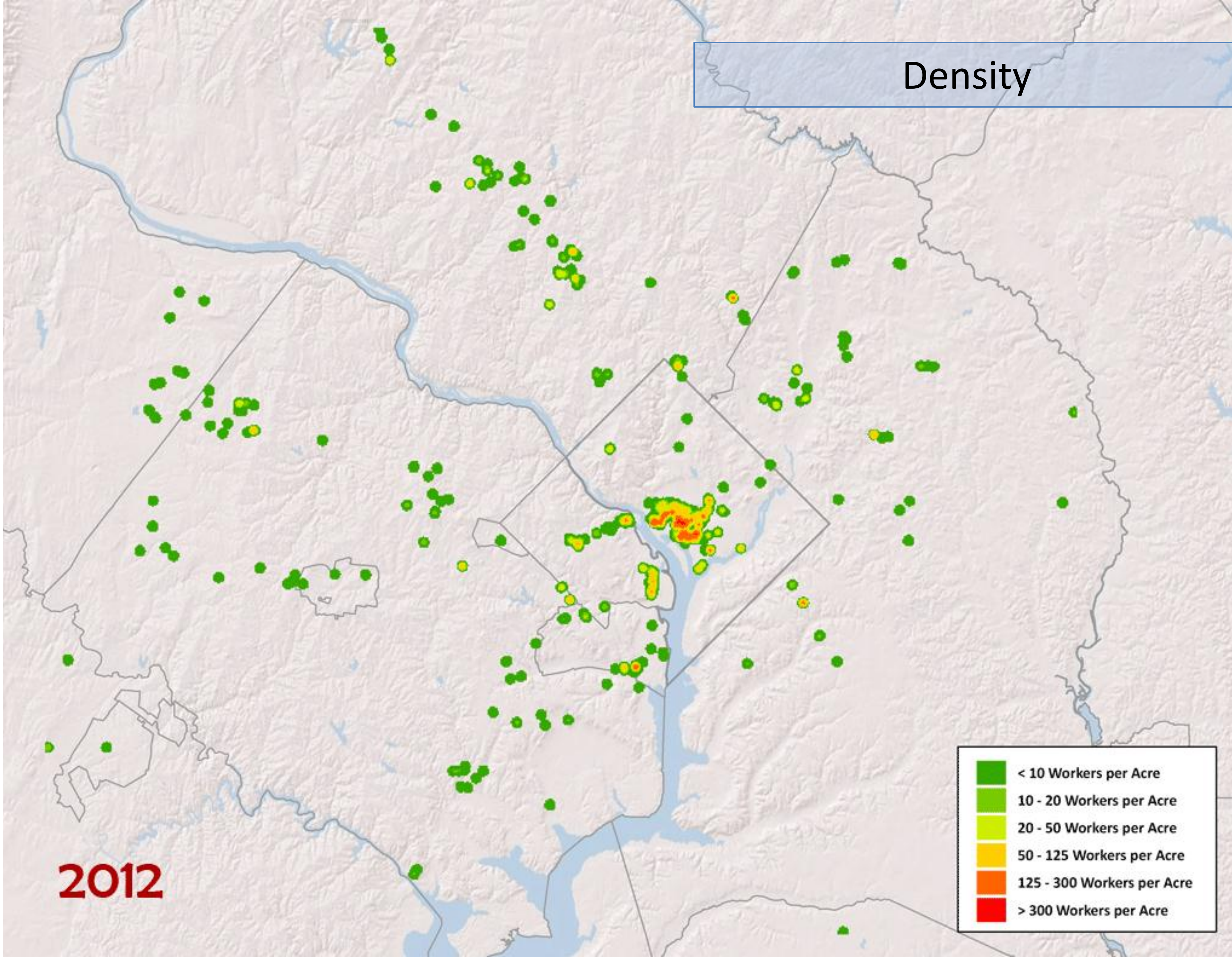

Location—2017


Location—2022

Location—**2027**



Density


< 10 Workers per Acre
10 - 20 Workers per Acre
20 - 50 Workers per Acre
50 - 125 Workers per Acre
125 - 300 Workers per Acre
> 300 Workers per Acre
2012

Private Sector Real Estate Market Implications

- Virtually all of the current leases can theoretically be accommodated in GSA-owned space
- Potentially reduces demand for GSA by nearly 60%
- But… nearly triples DC federal employment density

Other Impacts

- Private sector & other government users would likely follow suit to a degree
- Class B or C space might become relatively more attractive because of the greater ability to daylight offices.
- Transportation?
- Worker spending/economic impact?
- Federal worker recruitment/retention?
- Hoteling & telecommuting would likely increase demand for other temporary office or swing …

Third Places

Coffee Shop

Library

Outdoor seating

Urban “Commuter Ctr”

Mt. Pleasant Street Commercial Revitalization Key Planning Objectives

Increase non-retail and creative uses

Strengthen existing and new small businesses

Grow the local customer base and attract additional consumers to the corridor

Implementation Issues

- Resolving Labor-Management concerns
- IT and furnishing expenses a barrier
- Timing of lease expirations tough to coordinate with shuffling of agencies among GSA-owned spaces
- “Fits” more difficult as project gets implemented
- Could ESCO-type contracts be modified for use here?

For more information

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